

**Directorate General of Foreign Trade
(PRC-section)**

**Minutes of the Policy Relaxation Committee Meeting held under the Chairmanship
of Shri Alok Vardhan Chaturvedi, Director General of Foreign Trade on 26.09.2017**

Meeting No. 19/AM18 held on 26.09.2017 at 10:00 AM

The following members were present in the meeting:

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|--------------------------|------------|
| 1. Shri N. P. S. Monga | Addl. DGFT |
| 2. Shri K. C. Rout | Addl. DGFT |
| 3. Shri Jaikant Singh | Addl. DGFT |
| 4. Shri Darshan Singh | Addl. DGFT |
| 5. Shri J. V. Patil | Addl. DGFT |
| 6. Shri S. B. S. Reddy | Addl. DGFT |
| 7. Shri N. K. Srivastava | Addl. DGFT |
| 8. Shri Jay Karan Singh | Jt. DGFT |
| 9. Shri K. P. S | DDG |
| 10. Shri Kumar Rahul | DDG |

Following cases were discussed. The decision taken on the individual cases are as under:-

Case No.1: M/s.Tega Industries Ltd., Kolkata (PH case)

F. No. 01/60/162/216/AM18/PRC

PRC Meeting No. 19/AM18 dated 26.09.2017

Subject: Request for EOP extension for six months against Advance Authorization no. 0210201572 dt. 25.03.2014

Aggrieved by the decision of the committee dated 01.08.2017, the applicant, in terms of Para 2.59 of FTP, 2015-2020, sought personal hearing which was afforded on 26.09.2017. Mr. Manoj Kumar Agarwal, President-Global Finance from M/s Tega Industries, Kolkata appeared before the committee and made the following submissions stating inter alia that:

1. The imports against the authorization were made between 19.08.2014 to 08.05.2015.
2. Natural rubber, one of the inputs, was imported during 09.01.2015 to 31.03.2015 under this authorization.
3. PN 81 dt. 9.1.2015 explicitly mentioned that export obligation is to be completed within 6 months from the date of import of natural rubber only. No other item has been mentioned under this public notice.
4. The subject license was issued on 13.08.2014 and PN 81 was issued on 9.1.2015 i.e. after the issuance of authorization.
5. Natural rubber was not part of Appendix-30A of HBP while their captioned Advance License was issued. Natural rubber has been included in Appendix-30A vide PN 81 dt. 9.1.2015. FTP 2015-20 which was effective from 01.04.2015, does not cover natural rubber under appendix-4J of HBP. It is clear that the PN 81 is valid till 31.03.2015 and FTP supersedes the same.



6. Moreover, due to global financial meltdown & economic condition in some countries along with stiff condition in International market scenario, they could not fulfill remaining EO of 11.4% (quantity wise).
7. Hence, they requested for EOP extension for the period of six months.

Decision: The case was discussed again at length. It was noted that the Authorisation in question was issued having 12 month's validity to import duty free goods and 18 months to fulfil the stipulated export obligation by exporting resultant products. Para 4.42 of HBP provides the facility of extension of export obligation period for further 12 months in two spans of 6 months each, provided minimum 50% exports are completed by 24 months from the date of issue of the Authorisation. There are no provisions for further extension. Vide PN 81 dated 09.01.2015, export obligation period for import of duty free natural rubber has been reduced to 6 months from the date of import of each consignment. The applicant was very well aware of these facts. RA, Kolkata has allowed two extensions of six months each on request of the applicant. The committee was of the view that second extension was allowed inadvertently after 09.01.2015. However, PRC has regularised the exports made upto 30 months in its meeting dated 01.08.2017. Despite two extensions granted by RA, the applicant could complete only 88.60% exports obligation within 30 months. No case of genuine hardship is established which justifies the relaxation of the provisions of the Policy. The committee, therefore, did not accede to the request for further extension of EOP.

The applicant is hereby directed to get the case regularised in terms of Para 4.49 of HBP, 2015-2020.

(Action: Applicant/RA, Kolkata)

Case No.2: M/s. Tega Industries Ltd., Kolkata (PH Case)

F. No. 01/60/162/215/AM18/PRC

PRC Meeting No. 19/AM18 dated 26.09.2017

Subject: Request for EOP extension for six months of Advance Authorization no. 0210204772 dt. 13.08.2014.

Aggrieved by the decision of the committee dated 01.08.2017, the applicant, in terms of Para 2.59 of FTP, 2015-2020, sought personal hearing which was afforded on 26.09.2017. Mr. Manoj Kumar Agarwal, President-Global Finance from M/s Tega Industries, Kolkata appeared before the committee and made the submissions as stating in the case No 1 above.

Decision: Decision at case No 1 is reiterated.

Case No.3: M/s. Kiri Industries Ltd., Ahmedabad (PH Case)

F. No. 01/60/162/202/AM18/PRC

PRC Meeting No. 19/AM18 dated 26.09.2017

Subject: Request for clubbing of two Advance Authorization no. (i) 0810074530 dt. 08.09.2008 and (ii). 0810096260 dt. 11.02.2011 and issue EODC.

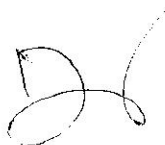


Aggrieved by the decision of the committee dated 17.08.2017, the applicant sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded to them on 26.09.2017. Mr. N.K. Tiwari, Authorised representative of the M/s Kiri Industries Ltd., Mumbai appeared before the committee and made the following submissions stating inter alia that:

1. Provisions of Para 2.59 of FTP, 2015-2020 will be referred, which provides for personal hearing by DGFT for Grievance Redressal. Clause (a) of the said para 2.59 provides that the Govt. is committed to easy and speedy redressal of grievance.
2. He also invited attention of the committee towards PN no. 16/2015-20, dt. 04.06.2015, whereby, amendment were notified to HBP of FTP 2015-20, which came into force with effect from 01.04.2015. It is submitted that vide the said amendment, para 4.38 which provides for facility of clubbing of authorization was amended. They crave to refer to para (vii) of the said PN which deals with clubbing of authorization issued before 05.06.2012. In the present case, both the authorization under consideration have been issued prior to 05.06.2012. Clause (a) provides that only such advance authorization shall be clubbed which has been issued within 36 months from the date of issue of the earliest authorization could be considered.
3. In the present case, authorization no. 0810074530 was issued on 08.09.2008 and Authorisation No.0810096260 was issued on 11.02.2011. Thus, the later authorization has been issued within 36 months of the earlier authorization and therefore the clubbing of the said authorizations is permissible after 01.04.2015.
4. It is submitted that the observation made by the PRC in its meeting dated 17.8.2017 does not find the place in the amended para 4.38 of HBP to FTP 2015-20.
5. Hence, they have requested for clubbing of the two Advance Authorizations for the purpose of regularization and issue EODC.

Decision: The case was discussed again at length. It was noted that the applicant on one side has been referring to the provisions of Para (vii) of PN 16 dated 04.06.2015, which allow clubbing of Authorisations issued prior to 05.06.2012 and other side seeking relaxation of the same. PN 16 dated 04.06.2015 allows clubbing of two or more Authorisations which are issued within 36 months and exports obligation are completed within 48 months from the date of issue of first Authorisation. If that is the case, no policy relaxation is required because RA is empowered to allow clubbing of such Authorisations. In the instant case, exports under subsequent Authorisation were affected only after 48 months from the date of issue of the first Authorisation. And, extension in EOP is not allowed beyond 48 months. The committee, therefore, did not accede to the request and reiterated the decision taken in its meeting dated 17.08.2017.

The applicant is hereby directed to get the case regularised, in terms of Para 4.49 of HBP, 2015-2020, within a month from the date of uploading of these minutes on the Directorate website, failing which action under the provisions of FT(DR)Act, 1992, as amended, shall be initiated by RA.



(Action: Applicant/RA, Mumbai)

Case No.4: M/s. K. P. Packaging Limited, Mumbai (PH Case)

F. No. 01/60/162/356/AM17/PRC

PRC Meeting No. 19/AM18 dated 26.09.2017

Subject: Clubbing of Advance Authorization nos. (i) 0310468379 dt. 15.04.2008 and (ii). 0310653795 dt. 15.09.2011 and 0310692803 dt. 30.04.2012

Decision: Aggrieved by the decision of the committee dated 19.04.2017, the applicant sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded to them on 26.09.2017. They were informed through e-mail about the same. However, no one appeared before the committee for PH nor sought postponement. However, in the interest of natural justice, the committee decided to defer the case and posted for hearing in the next meeting that is scheduled on **03.10.2017**.

(Action: Applicant)

Case No.5: M/s. BDH Industries Ltd., Mumbai (PH Case)

F. No. 01/60/162/646/AM17/PRC

PRC Meeting No. 19/AM18 dated 26.09.2017

Subject: Request for EO extension to regularize export done out of EOP against advance authorization no. 0310763116 dt. 23.12.2013 under PC-9 condition.

Decision: Aggrieved by the decision of the committee dated 13.06.2017, the applicant sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded to them on 26.09.2017. They were informed through e-mail about the same. However, the applicant vide e-mail dated 25.09.2017 requested for postponement of date. In the interest of natural justice, the committee decided to defer the case and posted for hearing in the next meeting that is scheduled on **03.10.2017**.

(Action: Applicant)

Case No 6: Vetting of draft Public Notice allowing onetime relaxation for transferring some category of cases from PRC to RAs after issuing a Public Notice to this effect.

Subject: Onetime relaxation, in public interest, for closing of all pending cases where Authorisations were issued prior to 01.04.2009

Decision: It was observed that the committee was receiving plethora of requests relating to extension of export obligation period, clubbing of Authorisations and regularising of Authorisation in which drugs were imported from unregistered sources. It was felt that most of the time of the Committee is spent in discussing the cases of these nature while appropriate criteria can be framed and made part of the HBP so that such cases can be disposed of at RA level. If power is delegated to the RAs, PRC will have quality time to examine and deliberate the real genuine hardship issues instead of unnecessarily spending time in matters which can be delegated to the RAs, who can dispose of such matters at their level once power is delegated to them. This would leave valuable time to the PRC for focusing on real issues of genuine hardship and also save the time of



exporters to get their cases closed at RA level. Therefore, Joint DGFT, PRC was directed in the last meeting held on 19.09.2017 to prepare a draft Public Notice for giving onetime relaxation, in public interest, for closing of all old pending Authorisations issued prior to 01.04.2009.

Accordingly, Joint DG (PRC) prepared a draft and place before the committee for discussion. The draft was approved by the committee after discussion in threadbare manner. It was decided that Policy-4 shall issue PN amending provisions of Para 4.38, 4.42 and 4.49 of HBP, 2015-2020 and also allowing onetime relaxation for closing all pending cases.

(Action: Policy-4)

The meeting ended with a vote of thanks to the chair.



